



18th Annual DOD Logistics Conference

14 March 2002



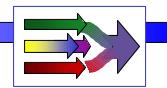




United States Army
Office of the Deputy Chief of Staff, G-4
Director of Sustainment



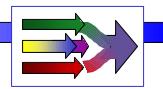




AGENDA

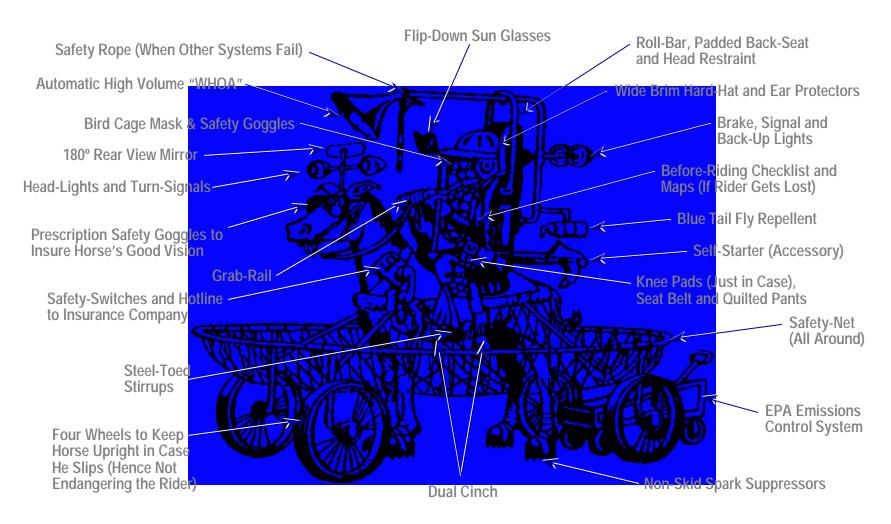
- Parameters for good partnerships
- Examples of active partnerships
 - ✓ Depot level maintenance
 - ✓ Supply support
 - ✓ Munitions plants
- Cautions and Concerns



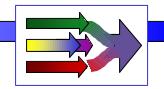


COWBOY AFTER MILSPECs

The Army doesn't have the best history when it comes to "business"







PUBLIC-PRIVATE PARTNERSHIPS





- Depot provides articles and/or services to industry
- Industry leases depot equipment and/or facilities (performs work for either the public or private sector)
- Work-sharing arrangements
- Teaming arrangements where depot and industry jointly contract with a Program Manager



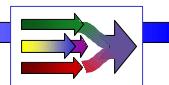
FACILITY & INFRASTRUCTURE UPGRADE

REDUCE COST
OF OWNERSHIP

MAINTAIN SKILLED WORKFORCE

READINESS





ADVANTAGES OF DEPOT TEAMING

ORGANIC DEPOTS

New investment
Preserve skilled workforce
Enhanced operating efficiency
Access to technical support

Corpus Christi Army Depot

WARFIGHTER

Improved logistical support Improved responsiveness Technology infusion Increased reliability

Increased readiness
Reduced repair turnaround time

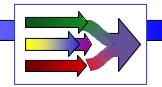
Access to process permits, capabilities
Minimize process flows
Long-term agreements
Avoid duplicative capabilities

COMMERCIAL FIRMS

General Electric Aircraft Engines
Sikorsky Aircraft Corporation
The Boeing Company Aerospace Support
Honeywell International Corporation

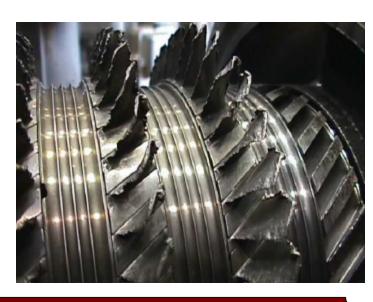


ABRAMS ENGINE PROGRAM



* AGT 1500 Turbine Engine Program

- ✓ Technology from late '60s
- √ 12,163 produced
- ✓ Last new U.S. engine in 1992
- ✓ M1A2/AIM Programs Use Overhauled Engines



Reliability and Durability Improvements

✓ Digital Electronic Control Unit (DECU) (1990)

- ✓ Boltless Rotor (1997)
- ✓ Improved Recuperator (1995)
- ✓ Service Life Extension (SLE) Program (1995)

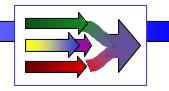
Not Enough...(Currently 335-525 MTBR)

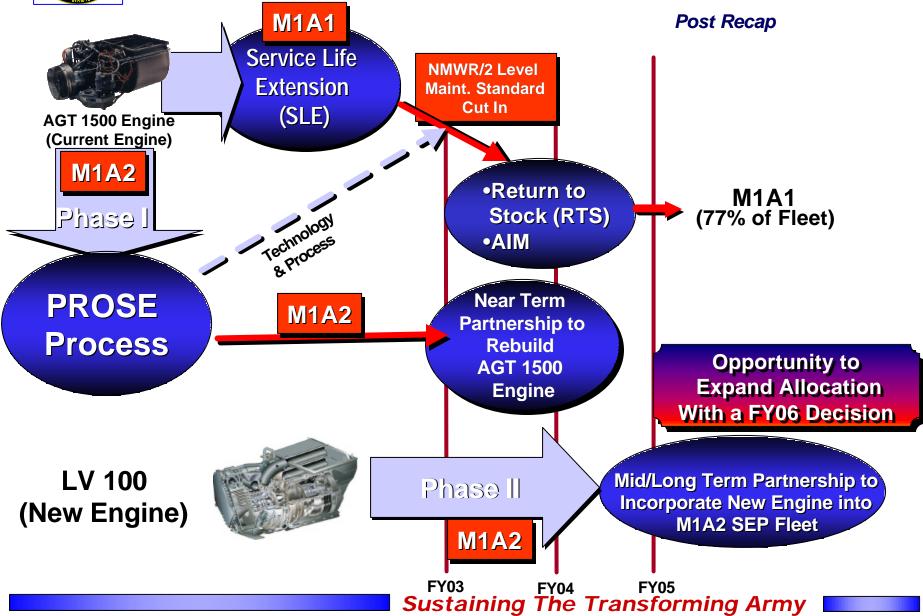
- Engine is *Biggest O&S Cost Driver (64%)*
- SA Directed PMs To Reduce O&S Costs
- If Leadership is Serious; We Must Focus on Engine

Sustaining The Transforming Army

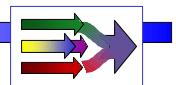


ABRAMS ENGINE PROGRAM









ARMOR SUPPLY PARTNERSHIP

TAP concept developed in response to GDLS Contractor Logistics Support (CLS) proposal.

General Dynamics Land Systems Proposal

- ✓ M1A2 Unique
- ✓ Stovepipe System
- ✓ Fund Upfront with Unit OPTEMPO \$
- ✓ Repairs Outside Division



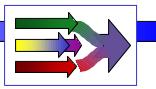
Team Abrams Partnership (TAP)

- ✓ M1A2 Unique
- ✓ Bottom Up Approach
- ✓ Addresses FORSCOM concerns
- ✓ Uses Standard Army Systems
- ✓ Invisible to soldiers
- ✓ Fund as required
- ✓ Unique transaction between TACOM and GDLS

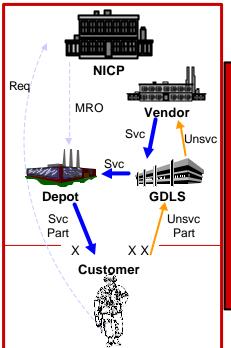
Sustaining The Transforming Army



TOTAL ABRAMS PARTNERSHIP (TAP) OVERVIEW

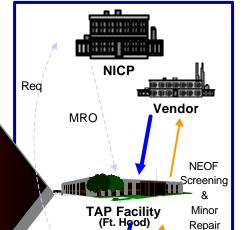


Old Process



Improvements/Benefits

The contractor becomes the Depot
Storage is onsite at Ft Hood
Streamlined Repair Process
Continuing Process Improvements
No Up-Front Customer Funding Rqd
Direct Shipment to Local Customers
Invisible to Soldier



Customer

Unsvc

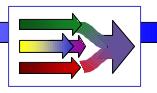
New Process

GDLS is the Depot Level Repair Facility for M1A2 Unique Support **Customers use SARRS** to process request for issue or turn in **TAP** operates within current supply system policy & regulations

TAP supports unique depot level repairable spare parts used on the M1A1D, M1A2, M1A2 SEP, Wolverine and Bradley M2A3







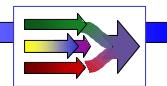
- * TAP Operates from a GOCO Facility at Ft Hood, TX
- MOA established between TACOM and Ft Hood DOL
- Ft Hood DOL provides for facilities support
- TACOM paid fee to occupy building
- **TAP processes Only Unique Depot Repairable spare parts**
 - ✓ Does not replace unit maintenance
 - ✓ Direct Support Electrical System Test Set (DSESTS) used to test unserviceable items
 - ✓ Unserviceable items are repaired or shipped to Contractor Repair Depot

CONCERNS

- Is above and beyond documented force structure
- Isn't free
- Is location specific (not doctrinal, not standard to all organizational support)

Inventory
Value Jan 02:
781 NSNs or
18,624 lines
Valued @
\$60M

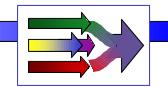




OTHER EXAMPLES OF SUCCESSFUL PARTNERING

- **❖ M1/M1A2 Upgrade at Anniston with General Dynamics**
 - Disassemble, hull upgrade, turret demilitarization, overhaul of subassemblies & components Ship to Lima OH
- ❖ Firefinder Block II Program at Tobyhanna with Raytheon Design, fabricate, & integrate prime power group & vehicle communications
- Multiple Launch Rocket System M270A1 at Red River with Lockheed Martin
 - Overhaul vehicle and ship to Lockheed Martin for integration of upgrades
- M1 Recuperator Facility Use at Anniston by Honeywell Provide 30K sqft of former warehouse space to Honeywell for use as a manufacturing facility
- Ammunition Plants ARMS program

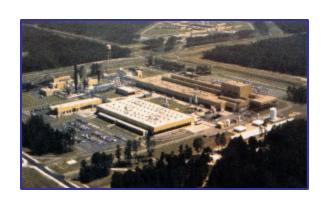




ARMAMENT RETOOLING & MANUFACTURING SUPPORT (ARMS) INITIATIVE

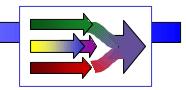
Congressionally established in 1993

Transforming Army Industrial Installations from Liabilities to Assets!



Uses Acquisition Reform and 'seed money' to entice commercial industry onto Government-Owned Government-Operated (GOCO) Ammunition Plants





TYPES OF ARMS TENANTS

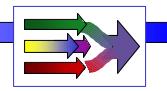
ARMS annual revenues now exceed expenses....

- Office Space
- Fireworks
- Commercial Explosives
- Commercial Acid
- Warehousing
- Business Development Center
- Airbag Manufacture
- Propane Storage
- Fish Production
- Educational Support

- Commercial Rocket Motors
- Computer Software
- Commercial Ammunition
- * Railcar Storage
- Dog Food Production
- Machine Shops
- Oil Industry Products
- Products for Auto Industry
- Forging Operations
- Laboratory Services



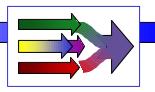
PARTNERSHIP CONCERNS



- Co-mingling commercial and government operations
- Uncertainty of financial security of tenant's indemnification (insurance against damage / loss / injury)
- Environmental and safety concerns
- Increased security requirements (post 9-11)
- Government skills as a landlord or property manager – not a core competency



SUMMARY



- Government / Industry work well in partnership
- Can Lead To:
 - ✓ Improved Readiness
 - Improved Return and Repair Time
- * MUST Be
 - √ Transparent to the user!
 - ✓ Operate within standard business systems:
 - Stock management and in transit visibility
 - Resourcing support and decision making
 - ✓ Best for the WHOLE not the one system

Division

1094 LINs

IBCT

594 LINS

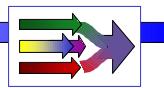
Light Infantry Company 48 LINS

One system considered for Prime Vendor Support would have cost the Army \$690M in inventory loss to the Working Capital Fund and an increase in surcharge to the rest of the force of 2.8-3.3%

NOTHING is more important to support to our soldiers in combat

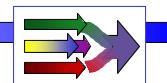






BACK-UP'S





PARTNERING IS KEY FOR SUCCESSFUL RECAP

JUL 00, FIRST RECAP RQMT ISSUED FOR T700 COMPONENTS



SEPTEMBER 16, 2000

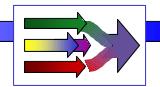


FY01 RESULTS

- 26% REDUCTION IN ENGINE TAT
- 40% INCREASE IN TEST CELL ACCEPTANCES
- 66% DECREASE IN SPAN OF DELIVERY DATES
- EXTENDED FOR 4 MORE YEARS, 2002 VALUE OF \$78 MILLION.

Sustaining The Transforming Army





ABRAMS ENGINE

(Phase I PROSE Process)



- ▲ Program/Project Management
- Customer Support
- **Supply Chain Management**
- Inventory/Kitting
- **Project Engineering**
- **Field Service Engineering**
- Quality Assurance

- Repair and Overhaul
- **Quality Assurance**
- Testing
- Field Service
- Failure Analysis Support
- Sustainment Mgmt











Parts

Old



- Multiple Buyers
- **Multiple Commands**
- Multiple Contractors
- ▲ One Buyer
- One Command
- ▲ One Source of Supply

Old

- Too Many Players
- **Process Improvements not Timely**
- **Lack of Management Focus**
- Lack of Standardization

New

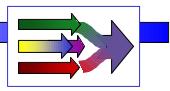
- Partnership With Government and Industry
- Incorporate Best Commercial **Practices**
- Performance Spec
- **Continuous Improvements**
- **▲** Holistic Support

PROSE: Partnership for Reduced O&S Costs, Engine

Sustaining The Transforming Army



TAP OVERVIEW



Program Elements

- ✓ Receipt, Store, and Issue
- √ Total Package Fielding
- ✓ICLS for New LRUs
- √ Screening of Field Returns
- ✓ Repair & Upgrade
- ✓ SEP Warranty Administration
- ✓TAP Forward
- √MWO Application
- ✓ Obsolescence Management

Key Benefits

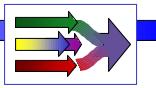
- ✓ Increases Stock Availability
- ✓ Decreases Vendor Processing Cost
- ✓ Decreases Return and Repair Time
- ✓ Improves Order Ship Time
- ✓ Assist in the Unique Parts Configuration Management

Inventory	
Value Jan 02:	:
781 NSNs or	
18,624 lines	
Valued @	
360M	

FY01 Sales Thru TAP				
	<u>Total</u>	<u>Abrams</u>	<u>Bradley</u>	
Dollars	\$ 51,534,140	\$ 44,985,195	\$ 6,548,945	
Lines	2,092	1795	297	
NSNs	362	280	82	



TEAM ABRAMS PARTNERSHIP (TAP)



TACOM

- **❖ M1A2/M1A2 SEP Unique Item Storage**
- M1A2/M1A2 SEP Repair
- **TAP Forward Support**
- Bradley A2A3 Unique Item Storage
- Wolverine Unique Item Storage and Repair
- Parts Technical Inspection for Condition
 Code A & F Field Returns

PM ABRAMS

- Interim Contractor Logistics Support for new LRUs
 - ✓M1A1D
 - √Thermal Mgmt System
 - **✓IC3 Control Elect Unit**
 - ✓ Battlefield Combat ID System
 - ✓ M1A2/SEP Upgrade
- Total Package Fielding

TAP provides for a seamless integration of programs leveraging TACOM AWCF and PM PA funds to provide the Best Value to soldiers.

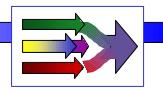
DLA

General Dynamic Land Systems (GDLS) has contract to manage DLA consumable parts on Wolverine, M1A2, and M1A2SEP tanks:

- Phase I: 700 NSNs Arriving at TAP
- Phase II: 2300 NSNs Coming Soon



TAP Forward Support



- ➤ TAP Forward supported unit training rotations at NTC, JRTC, and Egypt. Units provided with:
 - On-site supply support and technical assistance for Unique LRUs and SRUs.
 - Back-up DS and GS/Depot support.
- FY01 rotations supported

Rotation # 1 - January '01(M1A2)

Rotation # 2 - April '01 (DCX) (SEP, Bradley, Wolverine)

Rotation # 3 - May '01(3 ACR) M1A2

Rotation # 4 – Aug 01(M1A2) (No TAP DSESTS)

Rotation # 5 - October '01(3rd ACR) (Bright Star)

Rotation # 6 - Nov '01(M1A2)

- ➤ TAP Supported IOT&E FBCB2 at Ft Hood
- Other Benefits to Units Supported:
 - No upfront cost
 - Countless NMC days
 - Reduced Customer Wait Time
- ➤ TAP Integrated with the AMC LOG Support Element